

**ORDINANCE NO. \_\_\_\_\_, SERIES 2008**

**AN ORDINANCE APPROVING THE FOURTEENTH SUPPLEMENTAL SEWER AND DRAINAGE REVENUE BOND AUTHORIZING RESOLUTION ADOPTED BY THE BOARD OF THE LOUISVILLE AND JEFFERSON COUNTY METROPOLITAN SEWER DISTRICT (HEREINAFTER “THE DISTRICT”) WHICH AUTHORIZES THE ISSUANCE OF THE DISTRICT’S SEWER AND DRAINAGE SYSTEM REVENUE BONDS, IN ONE OR MORE SERIES, (HEREINAFTER THE “2008 BONDS”) AND PROVIDING FOR THE ADVERTISING, PUBLIC, COMPETITIVE SALE OF SAID BONDS IN AN AMOUNT NOT TO EXCEED NET BONDS PROCEEDS OF \$191,000,000.**

**SPONSORED BY: Councilman David Tandy**

**WHEREAS**, pursuant to Chapter 76 of the Kentucky Revised Statutes, as amended (“the Act”), the Louisville and Jefferson County Metropolitan Sewer District (hereinafter the “District” or “MSD”) has been created and organized as a public body corporate, and is a valid political subdivision in good standing under the law of the Commonwealth of Kentucky, having jurisdiction, control, possession, and supervision of the existing sewer and drainage system of the Louisville/Jefferson County Metro Government; to maintain, operate, reconstruct and improve the sewer and drainage system; to make additions, betterments and improvements to the sewer and drainage system, with the power and authority to issue its negotiable interest-bearing revenue bonds for any of its corporate purposes and to refund any of its bonds; and

**WHEREAS**, the District has previously issued its Series 2003 A and B Variable Rate Bonds which have an outstanding principal balance of approximately \$191,000,000 to refund the Series 1993, 1993 A and 1993 B Bonds; and

**WHEREAS**, the interest rate on the Variable Rate Bonds are reset on a weekly basis by a Remarketing Agent; and

**WHEREAS**, the Variable Rate Bonds are subject to a Liquidity Facility which provides for a

sale of the Variable Rate Bonds if the Remarketing Agent is unable to sell the Variable Rate Bonds and should the Liquidity Provider purchase the Variable Rate Bonds the interest rate would escalate to 14%; and

**WHEREAS**, the Board of the District adopted the Fourteenth Supplemental Bond Authorizing Resolution which provides for the issuance by the District of Sewer and Drainage System Revenue Bonds (“Current Bonds”) in the aggregate principal amount not to exceed Net Bond Proceeds of \$191,000,000 in Refunding Bonds, in one or more series, and which provides for the advertised, public, competitive sale of said Current Bonds in an aggregate principal amount not to exceed net Bond proceeds of \$191,000,000; and

**WHEREAS**, due to the credit markets experiencing unprecedented fluctuations and litigation involving variable rate demand obligation the possibility exists that the Remarketing Agent will be required to put the Variable Rate Bonds to the Liquidity Provider; and

**WHEREAS**, the Fourteenth Supplemental Bond Authorizing Resolution adopted by the District’s Board extends to the Current and Refunding Bonds the requirement for the District to fix, establish, maintain and collect rents, rates and charges for services of the sewer and drainage system which, together with other revenues, are expected to produce revenues for each fiscal year and will be at least sufficient to achieve the following:

- a. a sum equal to 110% of the principal and interest coming due on all issued and outstanding revenue bonds and indebtedness of the District for such fiscal year;
- b. all operating expenses for such fiscal year;
- c. amounts necessary to pay and discharge all charges or liens payable out of revenues of the District, and the procedures to maintain such coverage being currently authorized in MSD’s Schedule of Rates, Rentals and Charges; and,

**WHEREAS**, the approval of this Ordinance ratifies the authorization and procedures concerning the Louisville/Jefferson County Metro Government's approval of MSD's Schedule of Rates, Rentals and Charges as provided for in KRS Chapter 76, as amended and as approved in Jefferson County Fiscal Court Ordinance No. 25, Series 1979 as amended by Jefferson County Fiscal Court Ordinance No. 32, Series 1986; and City of Louisville Ordinance No. 152, Series 1979 as amended by City of Louisville Ordinance No. 388, Series 1986; and as approved in Ordinance No. 155, Series 2007.

**BE IT ORDAINED BY THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT ("COUNCIL") AS FOLLOWS:**

**SECTION 1.** That the Fourteenth Supplemental Bond Authorizing Resolution adopted by the Board of the Louisville and Jefferson County Metropolitan Sewer District authorizing the issuance of its Current Bonds, in one or more series, is hereby approved and authorized in an amount not to exceed Net Bond proceeds of \$191,000,000.

**SECTION 2.** That the recitals contained in the Ordinance are hereby adopted as a finding of fact and incorporated herein and are approved.

**SECTION 3.** That all previous ordinances relating to the District's Debt Service Adjustment covenants continue to be in full force and effect and will continue to be a covenant for as long as any District Revenue Bonds are outstanding.

**SECTION 4.** That the Current Bonds shall not constitute an obligation or indebtedness of Louisville/Jefferson County Metro Government and Current Bonds will be issued under the provision of KRS 76.010 through 76.210 and will not constitute an indebtedness of said Louisville/Jefferson County Metro Government.

**SECTION 5.** That this Ordinance shall take effect upon its passage and approval.

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Jerry E. Abramson, Mayor

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Date

\_\_\_\_\_  
James King, President of the Council

\_\_\_\_\_  
Date

\_\_\_\_\_  
Kathleen J. Herron, Metro Council Clerk

\_\_\_\_\_  
Date

**APPROVED AS TO FORM AND LEGALITY:**

Michael O'Connell

Jefferson County Attorney

BY: \_\_\_\_\_  
William P. O'Brien, Jefferson County Attorney